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ABSTRACT

By March 1994, eight states had adopted charter-school legislation. This report defines the charter-school concept and describes its advantages and disadvantages. Proponents argue that charter schools offer flexibility, decentralized decision making, a performance accountability, and school choice, and increased pressure for change. Opponents charge that charter schools are expensive and that they may reduce teacher salaries and disrupt existing desegregation plans. The report describes the charter-school experiences of eight states and one community--Minnesota, California, Colorado, Georgia Massachusetts, New Mexico, Wisconsin, Michigan, and Baltimore, Maryland. Data were gathered through interviews with one state-level policymaker or education department official from each state. To date, there are no empirical data describing the effects of charter schools on student achievement. The report describes Texas' provisions that incorporate aspects of charter-school philosophy and advocates charter schools for the Texas education system. Considerations to be worked out before attempting to develop charter schools are identified. One chart summarizes the status of implementation of charter-school legislation in the eight states. (Contains 15 references.) (LMI)

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# Charter Schools: Experiments in Reform

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**Presented To:** **Legislative Budget Board Educational Economic Policy Committee**

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for presentation to the Legislative Budget Board and the
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## INTRODUCTION

A new wave in the educational reform movement is sweeping across the nation--Charter Schools. By March 1994, eight states had adopted charter school legislation. Fifteen states considered charter school legislation in 1993. Education officials in Philadelphia claim to be the progenitors with their charter schools-within-a-school. When folks start claiming to have done something first--it's hot.

Why charter schools? Charter schools may be the logical conclusion of many recent educational reforms. They represent the ultimate in flexible, site-developed schools with an eye only on the bottom line--improved student performance. And, charter schools create real differences among schools so parents can choose a learning environment that meets their child's needs. They provide an opportunity to test the potential for these reforms to improve student academic achievement.

In the long run, if these schools are tried and proven successful, it will be easier to move away from our "one size fits all" educational system. In that case, all students should gain.

## DEFINING THE CONCEPT

The concept of charter schools is straightforward. An individual or group--parents, teachers, business people, university faculty, non-profit organizations, etc.--enters into a contract with the state or a local district. The group agrees to deliver specified student achievement outcomes--for example, a twenty percent gain in test scores--in return for education funds and autonomy from state and district regulation.

### Promise of Charter Schools

Proponents of charter schools claim they are attractive for several reasons.

Greater **flexibility** for creative educational professionals to experiment with innovation. The old ways of doing business must change. "One-size-fits-all" rules and regulation have hampered innovation and produced schools that use a cookie-cutter approach to educating an increasingly diverse student population.

**Decentralized decision-making**. Recent education reform movements have attempted to drive change centrally. Charters embrace the belief that those closest to the students--parents, teachers and principals--have the best ideas for improvement. State and district officials need to shift to a role of supporting those closest to the "production line" rather than dictating to them.

Total shift from process accountability to **performance accountability**. When authority is shifted to the local level, responsibility must follow. School charters explicitly state that the school is responsible for student performance. Measurable student objectives are specified in the charter. These objectives are to meet any state standards at the least, but many charter schools expect to go beyond state minimums.

More **choice** for parents and students within the public school system. Some parents and students have been unfairly trapped in poorly performing schools that are not responsive to their individual needs and have not delivered acceptable results. Charter schools offer the opportunity for individuals to select educational programs designed for their specific needs. In a charter school these choices are provided through the public school system, at no cost to the parent. This gives low income parents some of the choices wealthier families have always possessed.

Over time successful charter schools should increase the **pressure for change** in more traditional schools. If parents move students to results-oriented schools, other schools can be expected to adapt and change to meet the new demands. On the other hand, as educational professionals witness peers

successfully using increased flexibility to achieve higher student performance, they may demand the same advantages.

Charter schools may hold promise for improving education by providing examples of model schools that others can follow. At this time, they are too new for any real assessment of their potential for systemic educational change. In the short run, they should not be viewed as a panacea. By definition, charter schools represent educational change, one school at a time.

**Problems with Charter Schools**

Opposition to charter schools in other states has come primarily from educational organizations--such as teacher groups and school boards. Potential problems identified by critics include:

Charter schools are **expensive**, draining dollars from an already financially strapped public school system.

Charter schools lead to **reduced teacher salaries** due to exemptions from collective bargaining agreements or minimum salary schedules.

Open enrollment policies reflected in most charters may **disrupt existing desegregation plans**.

While reducing the burden of regulation for some schools, charter school legislation to date **leaves the vast majority of schools under the existing governance** system. Charter schools only relieve the regulatory burden at a few schools--providing change only at the margins of the educational system.

Some states have already moved to address these issues through legislation. Charter schools are public schools. Therefore, they do not shift funds away from the public school system, although they clearly may shift funds from existing public schools. And, initially, they are usually approved in limited numbers. Teacher participation is generally on a voluntary basis, so assaults on salary levels are unlikely. Most charter school legislation requires that existing desegregation plans for schools be maintained.

The charge that charter schools result in educational reform at the margins is more difficult to address. Many of the compromises other states have made with teacher groups and school board associations--such as initial restrictions on the number of charters allowed--serve to push charter schools further into the margins. A constant tension between innovation and protection of existing authority may occur as charter school legislation develops.

## EXPERIENCE IN THE STATES

Eight states, to date, have enacted some form of charter school legislation:

| | |
|---|---|
| Minnesota, 1991 | Massachusetts, 1993 |
| California, 1992 | New Mexico, 1993 |
| Colorado, 1993 | Wisconsin, 1993 |
| Georgia, 1993 | Michigan, 1993-4 |

Charter school statutes vary from state to state. All provide access to teacher retirement plans and other benefits. All charter schools are funded from existing resources. A brief review of each state explaining some of the differences follows.

**Minnesota** enacted the first charter school legislation in 1991. Originally, the number of charter schools was capped at eight but the cap was raised to twenty in 1993. Currently, nine charters have been approved with six schools in operation. Three petitions are pending. Approximately 600 of the state's 750,000 students now attend charter schools.

Charters are granted by local districts to licensed teachers who must comprise a majority of the school's governing body. The charters may be for new schools or converting existing schools to charter status. Last year the statute was amended to provide appeal to the state board if rejected by the local district. Charter schools receive regular state per student funds, plus any federal funds for which students are eligible.

Transportation and facilities have been problems. Statute requires the local district to provide transportation to students residing in the district. For those students residing outside the district, transportation is provided if parents get the student to the district border. A state transportation allotment directly to the charter school is now being considered, but this would not fully cover costs. The statute may be amended to allow charter schools to collect a fee from parents to make up the difference.

The state does not provide facilities, however, creative solutions have been developed unique to each school.. Most charter schools lease space. One community purchased a former public school that was to be closed by the state and then leased the property to the charter school for one dollar a year. Another school is operating in a city recreation center and paying utilities for its hours of operation.

SUMMARY OF STATUS OF
CHARTER SCHOOL LEGISLATION IMPLEMENTATION
IN OTHER STATES

| State | Minnesota | California | Colorado | Georgia | Massachusetts | New Mexico | Wisconsin | Michigan |
|---|---|---|---|---|---|---|---|---|
| **Year Enacted** | 1991 | 1992 | 1993 | 1993 | 1993 | 1993 | 1993 | 1994 |
| **Grantor** | local districts with appeal to state | local districts with appeal to county districts | local districts with appeal to state | local districts, with state approval | state | state | local districts | state universities, community colleges and local districts |
| **Organizers** | licensed teachers | any individual or group | any individual or group | any Georgia public school faculty/staff | any individual or group | existing school personnel and parents | any individual or the local school board | any individual or group |
| **Number Allowable** | 20 | 100 | 50 | unlimited, but only existing campuses | 25, no earlier than 1995 | 5 | 10 districts, 2 schools per district | unlimited |
| **Number Approved** | 9 | 46 | 7 | no schools have applied | 15 | 0 | 10 districts | 1 |
| **Number in Operation** | 6 | 46 | 2 | 0 | pending until 1995, by statute | 0 | 0 | 1 |
| **Requires Teacher Approval** | Yes | Yes | Yes | Yes | No | Yes | If by petition | No |
| **Transportation** | districts must provide transportation within their boundaries | determined by each district | determined by each district | provided by the local districts | districts must provide transportation within their boundaries | same as existing campuses | determined by each district | negotiated separately for each charter |
| **Facilities** | no provision | no provision | no provision | all are existing campuses | charters are not eligible for state facility funds | all are existing campuses | no provision | no provision |

More charter schools are currently operating in **California** than in any other state. Legislation was enacted in 1992 allowing up to 100 charter schools. Currently 46 charters--California has nearly 8,000 public schools--have been approved (a specific student count is not available). Charters are granted by local districts. The charters can be new schools or can be conversions from existing schools and the organizer can be any individual or group. Appeals can be made to county school districts if the petition is rejected by the local district. Petitions must be signed by either ten percent of the teachers in the district or fifty percent of the teachers in a campus of the district.

Charter school funds continue to be apportioned as for other public schools in the district. Students in charter schools count in the calculation of the district's apportionment and the state superintendent calculates the amount to which the charter school is entitled. The district is required to allocate this amount to the school.

The state does not mandate transportation to charter schools. The local districts have flexibility to provide transportation as they believe appropriate. Of the state's 46 charter schools, nearly 40 of them are existing schools "seceding" from the district. These schools retain their existing facilities. The state, however, makes no provision for facilities for new schools.

**Colorado** enacted charter school legislation in 1993. Up to 50 charter schools are allowed by 1997. Charters are granted by the local district with appeal to the State Board of Education. Any individual or group can apply, but, charter applications must demonstrate that an adequate number of parents, teachers, students, or any combination support the formation of the proposed charter but the legislation does not define "adequate". Currently, two charters are operating, another seven have received at least tentative approval and eight are pending appeal to the State Board. In all, there are approximately 25 charters in some stage of the application process.

Charters schools will receive at least 80 percent of the base state and local operating funds allocated to the students district of residence. The exact figure is to be negotiated in the charter. Funds will flow through the district granting the charter. Charter applicants must find a site for the school and the site must be negotiated as a part of the charter. The provision of transportation is at the option of each local school district and the charter applicant. Charter schools are eligible for waiver from most state laws and district and state regulations, but specific waiver requests must be part of the charter. Charter schools may use the traditional state accountability program or develop an alternative accountability program. If an alternative is chosen, the charter application must include waiver requests from the state model.

The **Georgia** legislation was enacted in 1993 and allows an unlimited number of existing public schools to be converted to charter status. The statute does not provide for the creation of new schools through charters. Charters are granted by the local district with the approval of the state. Any public school personnel can organize the petition. Charter petitions must be approved by two-thirds of the school's faculty and two-thirds of the parents attending a meeting to adopt the petition. As of April 1994,

no schools had submitted petitions for charter status, although it was under consideration in four or five schools.

The statute leaves funding allocations to be specified in the charter. The statute also requires charter schools to apply for exemptions from state law rather than providing blanket exemptions. Because the school remains within the district, transportation will be provided by the district and employees of the school remain employees of the district. Because only existing schools are eligible, facilities are not an issue.

**Massachusetts** enacted its legislation in 1993. The statute allows up to 25 charter schools but prohibits operation prior to fall 1995. State education officials are seeking an amendment to the statute to allow charters to begin operations in 1994. In March of 1994, the state approved 15 charter schools. The Edison Project--a national for-profit corporation--was awarded three of the 15 schools.

Charters are granted by the state for new schools. Groups seeking charters may be parents, teachers, business leaders or cultural organizations such as the Boston Ballet or local museums. The foundation fund allocation, about $5,500 per student state average, follows the student to the charter school. This amount includes state and local funds.

Massachusetts law requires local districts to provide transportation for students to public and private schools within its boundaries. This requirement extends to charter schools. For students beyond the borders no transportation will be provided. This is similar to the transportation provisions for the state's public school choice program. According to state education department officials, it has not been a problem; parents find a way to get their students to the school of choice. They are considering, however, a provision either to reimburse low-income parents' transportation costs or to require the receiving district to provide transportation.

Massachusetts expects facilities to be a problem. Charter schools are not eligible for state building funds. Because of the state's economic downturn, the state and several cities own vacant space that might be suitable as a school facility. In one community, some corporate groups interested in seeking a charter are currently negotiating with municipal and district officials to develop a collaborative effort in which the city would provide space at a favorable price. The corporation would run the school and provide the instructional program.

**New Mexico** has enacted a limited charter school program which allows five existing public schools to convert to charter status though a petition of existing staff. The schools will be under the authority of the local district and the district will be allowed to deduct administrative costs from charter school budgets. Application rules are expected in the spring of 1994.

**Wisconsin** adopted charter school legislation in July of 1993. The statute allows up to ten districts, with a limit of two schools per district, to be approved for charter schools. Statute provides for two methods to apply for charter authority. The school

board may apply to the state on its own initiative and, once approved, contract with any individual or group to operate a charter school. Or, a written petition may be filed with the school board to establish a charter school. The petition must be signed by at least ten percent of the teachers in the district or fifty percent of the teachers in a school in the district.

Ten districts have already applied and been approved to operate charter schools. State officials predict that their first charter schools will open in the fall of 1994. Charter schools are exempt from all state and local regulation except teacher certification requirements and accountability requirements. Teachers remain as employees of the district. Provision for transportation is at the discretion of each local district. The only provision for facilities is that no existing private school may be converted into a charter school. Funding allocations will be provided through the charter but the statute prohibits funding exceeding the average per-pupil expenditure in the district.

**Michigan** most recently entered the game, enacting charter school legislation in December, 1993. Under the Michigan statute state universities, community colleges, intermediate school districts and local school districts can grant charters. Any individual or group can apply for a charter school. There is no limit statewide on the number of charters. Universities have complete authority. They can grant as many charters as they wish anywhere in the state. Community colleges can grant one charter within their boundary. Intermediate and local school districts can grant as many charters as they wish within their boundaries.

The legislation is effective immediately. In fact, Wayne State University used a loophole in 1991 legislation and established a middle school that opened its doors in September of 1993. The school serves 350 students randomly selected from the Detroit school district. This school will now come under the charter school provisions.

Regular school aid follows the student including state and local funds. Most education dollars come from the state--Michigan recently lowered local property taxes--so the movement of funds across district boundaries is simplified. There is no requirement for a demonstration of teacher support for the charter but teachers must be certified or tenured track faculty at institutions of higher education. Charters granted by local districts must comply with all collective bargaining agreements.

The state makes no provisions for facilities. As public institutions, however, all charter granting entities have full authority to acquire and operate facilities. There is no state requirement for charter schools to provide transportation. The provision of transportation will be negotiated separately for each charter.

Michigan will encourage charter schools to focus themselves on particular educational missions. A charter schools division has been established within the Governor's office. This office will encourage schools to focus on making the school curriculum responsive to current workforce needs, a particular problem in Michigan and elsewhere.

In **Baltimore**, the local school board, under their own initiative, entered into a contract with Education Alternatives Inc. (EAI) to run nine local schools. EAI is a private for profit corporation based in Minnesota and began running the nine schools in the 1992-93 school year. EAI receives the same amount per student as other local schools, but operates with fewer teachers, more teacher assistants and greater use of technology. The corporation signed a five year contract with an escape clause for Baltimore at the end of each school year. It is too soon to judge their effectiveness but Baltimore is adding three schools--a total of 12--for the 1994-95 school year.

**Effect on student achievement**

The good news is that the framework for evaluating each charter school separately is a part of the charter. Measurable student learning objectives are spelled out in the contract. If the school meets the learning objectives included as part of the terms of the charter, it is considered effective. The charter contract is one of the few education initiatives to build the framework for evaluation directly into the program.

Charter schools are too new to adequately assess their overall performance. In Minnesota, the state that has been in the charter school business the longest, no formal statewide evaluation has been conducted or is planned at this point. However, of the 17 recent graduates of a dropout and probation recovery charter school, 15 enrolled in post-secondary education programs this fall.

In California many observers are disappointed by the general lack of innovation found in the charter petitions to date. Most of the charters are existing schools simply trying to get out from under district and state regulation. De-regulation may be a benefit in and of itself, but its potential will only be fully realized if professionals use their flexibility to try something different.

**Texas can learn from other state's mistakes**

Dr. Paul Hill, Director of the Institute for Public Policy and Management at the University of Washington, in a presentation to the Washington State Senate Education Committee, outlined several mistakes states have made in adopting and implementing charter school legislation, several of which may be instructive for policymakers in Texas. Hill claims that, to date, states have:

> Authorized too few charter schools.
> Given people who opposed charter schools veto power over their creation.
> Not given urban superintendents the power to use charters to replace failing regular schools.

Most states have put some cap on the number of charters initially, generally a result of political compromise with educational organizations. An official in Massachusetts pointed out that this puts innovations in competition with one another for

implementation. Potentially successful projects could get squeezed out by the numbers game.

Several states have also given groups with the most at stake--teachers and school boards--some veto power over proposed charters. Conversions of existing schools may legitimately require school board and faculty support. After all, part of the attraction is to free up principals and teachers to experiment with their own ideas. On the other hand, groups from outside the system may be hampered in introducing their programs if they first must "sell" it to the very people who may be threatened with a loss of authority or, potentially, jobs.

Perhaps the biggest omission in charter school legislation to date is a **requirement** for failing schools to try something different. Charters may be very useful in providing options, within the public school system, for superintendents and school boards grappling with turning around historically low-performing schools. Charters offer the opportunity for direct accountability--either turn student achievement around or the contract is revoked.

As part of its 1993 school accountability study, the Educational Economic Policy Center (EEPC) recommended that schools identified by the state as "low-performing" for two successive years should provide parents options to send their children to any successful public school. As an alternative, the EEPC suggested that local school boards should be given the authority to establish charter schools in persistently low performing schools.

**THE TEXAS EXPERIENCE--Been there, done that (in part).**

Beginning with Senate Bill 1 in 1990, Texas has adopted several provisions that incorporate some part of the philosophy behind charter schools. Texas may be ahead of other states considering charter schools legislation in terms of innovative schools/programs and educational accountability.

Innovation

The Legislature granted the State Board of Education (SBOE) authority to approve **waivers** from state law and rules in 1989. Beginning with the 1991-92 school year that authority was shifted to the Commissioner of Education. Under the Commissioner's guidance, waivers have been pursued with increasing aggressiveness by Texas' schools.

Since 1991-92 over 2,000 waivers have been granted. Less than one percent of waivers requested have been denied. Examples include additional staff development days in lieu of student attendance, waivers of the teacher appraisal system, and waivers of course requirements and final exam requirements. At the March 1994, SBOE meeting the Commissioner reported granting waivers the preceding month dealing with staff development (28), course requirements (14), the teacher appraisal system (2), certification (3), final examinations (27), gifted and talented (1), grading period (1), grading method (3) and one miscellaneous.

In October of 1991, Commissioner Lionel "Skip" Meno created the **Partnership Schools Initiative** (PSI) and began accepting proposals from campuses around the state. Eighty-three PSI programs began implementation in the 1992-93 school year. By the fall of the 1993-94 school year there were 98 schools in the program.

To allow for innovation the PSI allows the schools to discard state rules and regulations. To facilitate this process, the Commissioner has delegated his waiver authority to the directors of the regional service centers for the PSI program only. A special emphasis has been placed on staff development. Through the waiver process, PSI schools may use up to 15 days for staff development in lieu of student attendance. These additional staff development days must be campus-based and designed to meet particular student needs at the school.

The Commissioner indicates that PSI schools will be held accountable for improving achievement scores for all student groups. In their first year of operation, PSI schools documented some overall improvement relative to the rest of the state. True systemic change requires time, however. The commissioner expects that after three or four years the PSI schools will demonstrate successful models of restructuring that can be replicated around the state.

In 1990, the Texas Legislature established the **Innovative Education Grant Program** and authorized the SBOE and the Legislative Budget Board (LBB) to make grant awards from the Public Education Development Fund. These projects are designed to

improve student academic performance and campuses may obtain waivers from any state law or state board rule for the length of the program.

The first grants were awarded in the summer of 1991. Currently in its fourth year, a total of $6.5 million in innovative education grants have been awarded to 86 campuses across the state. An additional 18 proposals totaling $1.5 million will be approved for 1994. An additional 48 campuses will have been granted waivers of state law or regulation without funding.

Many of the programs resemble descriptions of charter schools in other states. For example, a drop-out retrieval school was established in San Antonio and a year round elementary school focusing on a communications curriculum was funded in Sherman. Because of the limited amount of time projects have been in place, early evaluations have been inconclusive in terms of improved student performance. However, those programs that represent major restructuring for entire school populations--in other words, those programs most closely resembling charter schools--demonstrated an initial increase in student learning.

Although Texas has given schools the opportunity for increasing flexibility, there are limitations. There are twelve statutory exclusions to the commissioner's waiver authority. Examples of these limitations include; restrictions on extra-curricular activities, elementary school class size limits, at-risk program, prekindergarten programs. These limitations apply to both the commissioner's general waiver authority and the partnership school initiative.

The waiver authority of the Innovative Grant Program offers schools the greatest flexibility under existing state law. However, the waivers are only effective for the length of the program which is limited to two years by TEA operating rules.

Accountability

Beginning in 1989, the Texas Legislature created the Educational Excellence Awards to reward high performing schools. In 1990, the Legislature created the Academic Excellence Indicator System (AEIS) and required that performance on those indicators be the primary consideration for accrediting districts.

In 1993, the Texas Legislature furthered the shift of the state's educational accountability system from a process orientation to one based on student academic performance. The new law focuses accountability on the individual campus. The law modifies the AEIS measures to include testing in grades 3-8, end-of-course exams for high school courses, graduation rates and attendance. Schools and districts are accountable for improving student performance on these measures over time.

Schools and districts performing well are eligible for a series of rewards including exemptions from state laws and regulations and monetary awards. Schools, and districts, not meeting performance expectations are subject to a series of sanctions set out in statute. The sanctions include requirements for public hearings and

improvement plans the first year, appointment of a monitor, master or board of managers, state closure or consolidation for persistently low performing schools and districts.

The system is based on the fundamental principle that the public has the right to know how well its schools are performing. Report cards will be distributed to every parent in the state. The report will detail how well the school is performing on the AEIS measures, how much improvement has been achieved and how the school compares to similar schools in the state. The law stops short, however, of requiring real choices for parents of students in schools performing poorly over time.

Decentralization

Senate Bill 1, 1990, gave principals the primary authority in staffing decisions and requires that principal evaluations be based primarily on student performance. House Bill 2885, 1990, required that each school create a local campus committee to help the principal in setting goals, curriculum, the budget, and staffing and organizing the school. Taken together, these two pieces of legislation mandate site-based management in Texas public schools.

Although most districts in Texas did not begin management at the school site until the 1992-93 school year, early estimates of the extent to which decisions have been decentralized are not encouraging. A study conducted by the Texas Center for Educational Research analyzed a sample of site based-management plans filed with the state agency and found that only 20 percent of Texas school districts had planned to move decision making authority to the campus to any great degree.

Charter Schools in Texas

In January of 1993 a proposal was submitted to the Houston Independent School District Board of Trustees which might represent the first attempt to operate a charter school in Texas. The Performing Schools Corporation (PSC), a for profit corporation based in Houston, proposed to operate four schools in HISD. Three of the schools are elementary schools, the fourth is a K-8 school. Student achievement in all of the schools has been poor.

The PSC first sought the support of the principal, then faculty and parent-teacher organization approval on each proposed campus. The faculty vote was unanimous in favor in three instances while the vote in the fourth school was 28 in favor and one opposed. The company believes that it is important that the proposal have the support of the professional staff on each campus first to make it work.

PSC promises to improve student learning in reading, writing and mathematics as measured by an accepted standardized test. The company promises results the first year, with incremental gains for at least two more years. In return, the company fee is approximately $300 per student **in addition to** the regular per student cost of the

school. For the four schools proposed, the additional costs over the first three years was estimated to be $964,000. PSC believes that this amount can be offset, in part or in full, with federal Chapter 1 or other discretionary funds available to these campuses.

PSC does not require blanket exemptions from state law and/or state and district rules. It does require adherence to a very rigid, structured curriculum that emphasizes lecture, question, read, review and test over material to be learned. The company provides materials and training and monitor student performance results.

The PSC proposal to operate four schools was considered by the HISD central administration. Despite the near unanimous support of the principal, faculty and PTOs of the schools, the proposal was never placed on the agenda for action by the Board of Trustees. HISD has since adopted a policy enabling the district to seek proposals for partnerships with the private sector, including contracting with entities to operate their own programs in HISD schools.

## CONCLUSIONS

### Potential for Texas

Texas has come a long way down the school reform path over the last several years. We have begun to move from a centralized, process oriented education structure toward a site-based, outcome-oriented system. Teachers and principals are gaining some increased flexibility in terms of defining how they will do their jobs in recognition of the professional status they truly deserve. Responsibility for results has also been implemented befitting that professional status.

Charter schools provide another opportunity to continue down the path of school restructuring. They could provide increasing flexibility and responsibility for the professionals closest to the student, principals and teachers. An additional avenue for innovation could be opened.

Charter schools also hold special promise as a way of leveraging change in "broken schools". Texas' new accountability system will accurately identify schools that have been neglected for too long. Continuing neglect is not an option. Charter schools could allow radical change in these schools--unfettered by "one size fits all" regulation. In many cases the change could come from within the school. Teachers and principals whose ideas had been rejected in the past could be granted new opportunities.

Groups outside the system could also be given opportunities to try their own ideas or learning methods. New ways of thinking could be demonstrated that would benefit professionals in other struggling schools. What is not acceptable is no change in schools where the status quo has failed children and parents for years.

### Challenge for Texas

In order for charter schools to work in Texas several issues must be resolved. The issues, with recommended resolutions, include:

**Who grants the charter?** Charters should be granted by the local district. Fixing broken schools should be a local responsibility first. However, there should be an appeal process to the State Board of Education for groups whose charter proposal has been rejected by the local district. In addition, the state should consider directly granting a limited number of charters for experimental programs.

When the state approves a charter the local district has rejected, the school should be held accountable directly to the state. Performance results should not be included in the accreditation ratings for the district. However, this exemption should not apply to districts with schools rated low-performing. Rejecting charter schools should not be

used as a mechanism for districts to abdicate responsibility for improving those schools.

**Who should be allowed to seek charters?** The opportunity to apply for charters should be left open to any individual or group. There are a number of entities, for example, teachers, universities and private corporations, with ideas on improving educational services. The state should not exclude anyone from presenting their ideas for consideration.

**Should students be allowed to cross district boundaries to attend charter schools?** Yes. In order to realize the greatest potential, charter schools need to be available to a wide audience of parents and students. The option to attend an innovative school should be made available to the greatest possible number of parents and students.

**Should the number of charters be restricted?** The state should not be overly restrictive on the number of schools a district may charter. With nearly 900 schools failing to educate at least twenty percent of their student body or one or more student groups, the need for new ideas is extensive.

**How should funding be provided?** Total state and local operating funds should follow the student to the charter school. The local district should be required to allocate the total dollars to the school. The school should have total authority over the budget allocated to them. In many cases the district will be able to provide some services more efficiently than the school could do on its own. The school should be able to contract with the district for these services. But these decisions should be left up to the individual charters.

**Should teacher support be required?** When converting an existing school to charter status a requirement of faculty support is legitimate. It is difficult to imagine even the best idea working without the support of the professionals and parents engaged. But, teachers' support for new schools should not be required as a prerequisite for launching a charter school. Groups outside the system should be able to present their proposal and then staff the schools with professionals committed to the concept. Previous experience in other states indicates that requiring teacher approval of new schools can inhibit innovation.

**Should the district be required to provide transportation?** Transportation should be a district responsibility for students within its boundaries. Transporting students to the charter school should qualify for the state transportation allotment. For students outside the district boundary, the parent should be responsible for transporting the student to the district boundary.

**Should facilities be provided?** Existing facilities for schools converting to charter status should go to the charter school. For new schools, it should be left to the charter to establish how facilities will be provided.

**Should teachers in charter schools be district employees?** Teachers should be district employees eligible for all benefits, including the Teacher Retirement System. But, charter schools should be able to hire and fire faculty and staff without undue burdens from the district.

**Which laws and regulations should be exempted for charter schools?** In order to promote maximum innovation, charter schools should be exempt from all state laws and state and local regulation except health and safety requirements, acts that would constitute a criminal offense and state and local accountability provisions.

**What should the performance standards be for charter schools?** Charter schools should be held to at least the state standards as described in the state accountability system. However, local districts should be able to require even greater performance as negotiated in individual charters. Further, additional performance measures may be appropriate for charter schools with a special mission.

**Should charter schools be used as a "tool" to address schools rated "low-performing" over a period of years?** The state should require districts to seek proposals for charter schools that have been performing poorly for several years. The commissioner must approve any district decision to retain management or to substitute district personnel for management of a low performing school in lieu of chartering out the school. In schools in which the current management has failed to improve performance, new managers must be given the opportunity to turn the school around. The new management team should not be hindered by state or district rules and regulations in implementing new ideas to improve student performance. Faculty approval of the charter proposals should not be a condition, in this instance, for district acceptance of the proposal. However, charter proposals from management teams outside the district must include a description of how parents and community members will be involved in the school's decision-making process.

**How should desegregation plans be addressed in creating charters within the local school system?** Racial balances within school districts with other types of "option" schools, such as school magnets for technical or health careers, have already been addressed in local school policy. Charter schools should not affect any preexisting plans.

**Should charter schools be allowed to exclude students?** If the charter school is intended to provide a special program, for example an alternative school for serious offenders, some admissions requirements should be allowed. However, charter schools should not be able to discriminate against pupils on the basis of ethnicity, gender or disability. Generally, charter schools should be inclusive for all students.

**Is legislation necessary to authorize districts to charter schools in Texas?** Probably not. HISD indicates that they discovered nothing in Texas law that would have prohibited contracting with the Performance Schools Corporation. Indeed, there is specific language in statute that authorizes districts to contract with public or private sources for educational services.

**Is legislation necessary to push districts to charter schools in Texas?** Probably. Despite near unanimous support from parents and faculty, a guarantee of improved student performance and no clear statutory roadblocks, the HISD Board of Trustees chose not to enter into the contracts with PSC. No other charter schools have been identified in Texas. It appears that local districts need the stamp of approval from the state to give charter schools a chance.

## RESOURCES


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**Interviews**

During a nine week period (January 26, - March 24, 1994) telephone interviews were conducted with the following individuals on charter school status in their state:

Bill Aspic
Wisconsin Governor's Office

Sue Burr
California State Senate Education Committee

Joel Galloway
Michigan Office of the Governor

Peggy Hunter
Minnesota Department of Education

Michael Kirst
Policy Analysis for California Education

John Rhodes
Georgia Department of Education

Mike Sentance
Massachusetts Department of Education

Bill Wendler
Colorado Department of Education